

Message Text

CONFIDENTIAL

PAGE 01 TEHRAN 06552 071307Z

46

ACTION EB-11

INFO OCT-01 NEA-14 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-03 COME-00 DODE-00 FEAE-00 FPC-01 H-03 INR-11

INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01

SCI-06 SP-03 SS-20 STR-08 TRSE-00 FRB-03 OPIC-12

XMB-07 DRC-01 /165 W

----- 122657

R 071236Z AUG 74

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 7656

INFO AMEMBASSY JIDDA

AMEMBASSY KUWAIT

C O N F I D E N T I A L TEHRAN 6552

E.O. 11652: GDS

TAGS: ENRG, IR

SUBJ: TRANSCO MAY BE BACK ON TRACK

1. TRANSCO ENERGY CO PRESIDENT DON WILHELM CALLED ON ECON COUNS AUG 6 TO PROVIDE PROGRESS REPORT ON TRANSCO-NIOC-NIGC CONTACTS THAT MAY RESUSTITATE MODIFIED VERSION OF TRANSCO PROJECT. WILHELM MET WITH NIOC AND NIGC EXECUTIVES JULY 1, MET WITH MOSSADEGHI OF NIGC IN PARIS LATER IN JULY, AND IS NOW IN TEHRAN FOR TECHNICAL MEETINGS IN WHICH TRANSCO, NIGC, NIOC AND OSCO HAVE ALL PARTICIPATED.

2. NIOC HAS ASKED TRANSCO TO GO AHEAD WITH ORIGINAL PLAN TO RECOVER NGL'S FROM FIVE OF SOUTHERNMOST FIELDS IN AGREEMENT AREA. NIOC WILL NOT, HOWEVER, GUARANTEE ANY SPECIFIC VOLUME OR COMPOSITION OF GAS AVAILABLE. INSTEAD, CONSULTANT TERRAMAR WILL BE ASKED TO SUPPLY INDEPENDENT LONG-RANGE PROJECTION OF GAS AVAILABLE, BASED ON PLANNED CURDE OIL PRODUCTION LEVEL. NIOC ASKED TRANSCO TO MODIFY PLANS TO ACHIEVE MAXIMUM EXTRACTION OF ETHANE FOR DELIVERY AS FEEDSTOCK TO NPC. NIOC ALSO WANTS ALL METHANE RETURNED
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TEHRAN 06552 071307Z

FOR GAS INJECTION IN OIL FIELDS. NIOC WILL PROVEDE METHANE FROM

C-STRUCTURE FOR METHANOL PORTION OF TRANSCO PROJECT, AND WILL WANT HYDROGEN PRODUCED BY METHANOL PLANT FOR USE IN ONE OR MORE EXPORT REFINERIES TO BE BUILT IN BUSHEHR.

3. MANY ISSUES REMAIN TO BE CLARIFIED IN THIS RENEGOTIATION. NIOC HAS ASKED, FOR EXAMPLE, THAT TRANSCO PAY ROYALTIES ON NGL'S (CONSORTIUM MEMBERS PRESENTLY PAY ROYALTIES ON REALIZED PRICE OF NGL'S THEY LIFT FROM MAHSHAHR). TRANSCO DOES NOT WISH TO BEGIN ANY WORK (THIS TIME AROUND) UNTIL THEY HAVE AIRTIGHT AGREEMENT IN HAND.

4. DEPUTY CONSORTIUM REPRESENTATIVE BURT WILLMAN CALLED ON ECON COUNS AUG 5 TO EXPRESS MEMBERS' STRENUOUS OBJECTION TO TRANSCO PROJECT AND TO ASK IF EMBASSY HAD PLAYED ANY ROLE IN REVIVING IT. WE ASSURED HIM WE HAD NOT AND THAT WE REMAIN AS MUCH IN DARK AS HE AND TRANSCO AS TO REASONS FOR NIOC'S SUDDEN ABOUT-FACE. WITH PRIOR CLEARANCE FROM WILHELM, ECON COUNS CALLED WILLMAN TO INFORM HIM WILHELM AWARE OF AND SENSITIVE TO MEMBERS' FEELINGS BUT THAT NIOC HAD TOLD HIM NIOC/EMBERS RELATIONS NOT HIS CONCERN.
HELMS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM REFINING, GAS PRODUCTION, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974TEHRAN06552
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740215-0911
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740866/aaaacejo.tel
Line Count: 81
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: cunninfx
Review Comment: n/a
Review Content Flags:
Review Date: 24 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 APR 2002 by martinml>; APPROVED <27 FEB 2003 by cunninfx>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TRANSCO MAY BE BACK ON TRACK
TAGS: ENRG, IR, TRANSCO ENERGY COMPANY
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005